

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-10964 (MG)
)
) (Jointly Administered)
)

JOINT STIPULATION OF UNDISPUTED FACTS

Pursuant to the *Order (I) Setting a Briefing Schedule and (II) Granting Related Relief* [Docket No. 1747] (the “Scheduling Order”),² this Joint Stipulation of Undisputed Facts (the “Joint Stipulation”) is made and entered into by and among: (i) the above-captioned debtors and debtors in possession (collectively, the “Debtors”); (ii) the Official Committee of Unsecured Creditors appointed in the above-captioned chapter 11 cases (the “Committee”); and (iii) Community First Partners, LLC, Celsius SPV Investors, LP, Celsius New SPV Investors, LP, and CDP Investissements Inc. (collectively, the “Series B Preferred Holders” and, together with the Debtors and the Committee, the “Parties”).

The Parties hereby stipulate that the facts stated herein (the “Stipulated Facts”) shall be considered undisputed for purposes of the evidentiary hearing, set for February 6, 2023, at 2:00 p.m., prevailing Eastern Time, on the issue of “which Debtors are liable to account holders

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Scheduling Order.

[each a “Customer” and collectively, the “Customers”] under the global contract (the “Terms of Use”) between Celsius Network LLC and its [Customers]” (the “Briefed Legal Issue”).

While the Stipulated Facts shall be considered undisputed for purposes of the Briefed Legal Issue, the Parties believe that certain of the Stipulated Facts are not material or relevant to the resolution of the Briefed Legal Issue and reserve their respective rights to assert the same. Furthermore, by entering into this Joint Stipulation, the Parties also stipulate to the authentication of each document referenced herein but do not waive, and expressly reserve, their respective rights to object to the relevance of such documents, and acknowledge that each Party, independently, asserts additional facts that may or may not be material and/or disputed.

Subject to the above reservations of rights, the Parties hereby state the Stipulated Facts that shall be considered undisputed and admitted for purposes of the Briefed Legal Issue:

1. No party disputes that the Terms of Use govern the relationship between Customers and the Debtors relevant to the Briefed Legal Issue.
2. The Terms of Use were primarily drafted by the Debtors’ Legal and Regulatory departments, including, at or around July 2021 and later, Ron Deutsch, Joseph Golding-Ochsner, Yarden Noy, and Roni Cohen Pavon (each of whom is an attorney), with input from outside counsel.
3. Customers were required to agree to and digitally execute the then-current version of the Terms of Use to access certain Debtors’ retail cryptocurrency services through its web interface or mobile application (together, the “Platform”), and to do the same when Terms of Use Version 6 came into effect.
4. At least one Debtor does not provide any products or services to Customers.

5. Each version of the Terms of Use in effect prior to the Petition Date are attached as Exhibits A-1–A-8 to the *Declaration of Alex Mashinsky, Chief Executive Officer of Celsius Network LLC, Providing Terms of Use Dating Back to February 18, 2018* [Docket No. 393].

6. A table of the effective dates for each version of the Terms of Use is included in the *Declaration of Oren Blonstein, Head of Innovation and Chief Compliance Officer of the Debtors, in Support of the Debtors’ Motion Regarding Ownership of Earn Assets and the Sale of Stablecoin* [Docket No. 1327].

7. Each version of the Terms of Use was published on the Debtors’ website (<https://celsius.network/>).

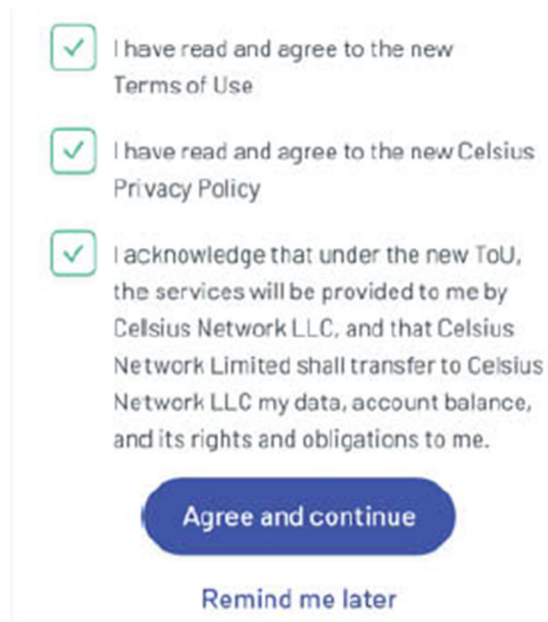
8. Of the 600,000 Customers listed on the Debtors’ Schedules of Assets and Liabilities (collectively, the Schedules”), the Debtors’ records show that approximately 90.06%, representing more than 99% of Customer assets, clicked to accept Terms of Use Version 6 or a later version.

9. In the fall 2020, Mining was established as an indirect wholly-owned subsidiary of Celsius Network Limited (“CNL”).

10. On July 21, 2021, Roni Cohen Pavon, on behalf of CNL, executed a Voluntary Application for Imposition of Direction [CEL_CUST-00002757].

11. Terms of Use Version 8 became effective on April 14, 2022 and was in effect on the Petition Date. No party disputes that Terms of Use Version 8 govern the determination of the Briefed Legal Issue.

12. Customers who opened accounts under versions 1 through 5 of the Terms of Use were required to check the below boxes and click the “Agree” bar to continue using the Platform after August 5, 2021:



The screenshot shows a user agreement interface. It contains three checkboxes, each with a green checkmark inside a square box. The first checkbox is followed by the text "I have read and agree to the new Terms of Use". The second checkbox is followed by "I have read and agree to the new Celsius Privacy Policy". The third checkbox is followed by a longer statement: "I acknowledge that under the new ToU, the services will be provided to me by Celsius Network LLC, and that Celsius Network Limited shall transfer to Celsius Network LLC my data, account balance, and its rights and obligations to me." Below these checkboxes are two buttons. The first is a blue rounded rectangle with the text "Agree and continue" in white. The second is a blue text link that says "Remind me later".

☒ I have read and agree to the new Terms of Use

☒ I have read and agree to the new Celsius Privacy Policy

☒ I acknowledge that under the new ToU, the services will be provided to me by Celsius Network LLC, and that Celsius Network Limited shall transfer to Celsius Network LLC my data, account balance, and its rights and obligations to me.

Agree and continue

Remind me later

13. On August 23, 2021, CNL withdrew its application for registration with the Financial Conduct Authority.

14. No automatic stay pursuant to section 362 of the Bankruptcy Code has been extended to, and no injunction pursuant to section 105 of the Bankruptcy Code is in place with respect to, any non-Debtor Affiliate of Celsius Network, LLC ("LLC"); *provided, however*, that any property of the Debtors held by non-Debtor Affiliates is protected by the automatic stay as set forth in section 362 of the Bankruptcy Code.

15. Effective August 19, 2021, CNL and LLC executed an Asset Transfer Agreement [CEL-CUST_00006345].

16. Effective August 19, 2021 CNL and LLC executed an Intercompany Operation and Loan Agreement [CEL_CUST-00006333].

17. In October 2021, CNL purchased GK8 Ltd., an Israeli Company.

18. In early 2022, in connection with efforts to raise capital for Mining, CNL and its advisors submitted several presentations to potential investors that disclosed, among other things,

Mining's balance sheet and annual reports (approved by Mining's board of directors), which contained Mining's financial statements.

19. In February 2022, in connection with a contemplated IPO for the mining business, additional materials related to Mining were prepared and a confidential Form S-1 Registration Statement was submitted to the United States Securities and Exchange Commission.

20. On September 19, 2022, the Debtors filed the *Periodic Report Regarding Value, Operations and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest (Official Form 426) as of June 30, 2022* [Docket No. 850].

21. On September 20, 2022, the Debtors filed Monthly Operating Reports for July and August 2022 [Docket Nos. 858–73].

22. On October 5, 2022, the Debtors filed their Schedules and Global Notes.

23. On December 2, 2022, the Debtors filed an Asset Purchase Agreement for the sale of the assets of the GK8 Ltd., GK8 USA LLC, and GK8 UK Limited (collectively, the “GK8 Entities”).

24. On December 7, 2022, the GK8 Entities each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

25. On December 13, 2022, the Court entered an order approving the sale of the GK8 Entities' assets [Docket No. 1686].

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Dated: January 30, 2023
New York, New York

Respectfully submitted,

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